However, we need to have a change in policy so the emphasis is more on how the aid can be effective rather than on the commercial advantage to Canadian firms.

What I find disturbing about the Budget and the Government's action on development aid is that it continues to put off reaching the target of .5 per cent of GNP for development aid. In other words, the Government continues to put off an internationally agreed upon goal for development assistance at the same time that it reduced the amount of planned spending on official development assistance by $150 million. I think that shows a lack of priority for official development assistance.

• (1620)

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, it is a pleasure to join in the debate on the Budget. Of course, this is the third complete Budget presented by the Minister of Finance (Mr. Wilson) and really the fourth major economic statement if we count the one in the fall of 1984.

It is quite clear that the Minister of Finance has undertaken a major restructuring of the economy, a major restructuring of social systems, including pension systems, and has now embarked upon a major restructuring of the tax system, the details of which are just hinted at in the Budget.

I should like to start by reviewing the success which the Minister of Finance has had over his term, because I believe he will go down in history as one of the great, or possibly the greatest, Finance Minister our country has had. Given the situation which he took over, and given the disaster and chaos in the Canadian economy in 1982, 1983, and 1984, the turnaround has been truly remarkable.

Since the Minister of Finance was appointed in September, 1984, employment growth in Canada has averaged 2.5 per cent. It is a little difficult for people to recognize just what that represents. It represents being first in the world in terms of employment growth among all major OECD countries. Some 700,000 jobs have been created in Canada since the Government took power.

To give an idea of the magnitude of that figure, in 1986 alone more jobs were created in Canada than in all western Europe combined, which of course has many times our population base. However, I will admit that those jobs have not been created uniformly across the country. My particular riding is one which has benefited, but I remember well in 1982, constituents coming to me who had lost their jobs or were losing their houses because of high interest rates. There was a tremendous sense of despair and depression as people were laid off or forced to meet rapidly increasing interest rates.

Now York-Scarborough is booming. We believe that we have the lowest unemployment rate in the country. We have the fastest rates of job expansion, housing expansion, and population growth. It is obvious that these policies are now working in the rest of the country as the employment picture continues to improve. For example, in the first two months of this calendar year, some 30,000 jobs were created in Quebec, principally in Montreal. Montreal is beginning to see the benefits of the policies brought in by the Minister of Finance.

I mentioned mortgage interest rates. Interest rates in general have fallen faster in Canada than in any other part of the world since September, 1984. It is important to recognize that the prime rate of interest is close to a 10-year low. It is now possible to obtain mortgages with single digit interest rates.

I remember when I bought my own house in 1970. I was paying 10.25 per cent on a five-year mortgage at that time. Interest rates are below that now. They are down into single digits. In fact, for those who want short-term mortgages, they can now obtain them for 8 per cent and change.

Let us compare that with the chaos caused under the policies of the previous Government where mortgage interest rates hit 22 per cent. I remember being invited by an entire condominium association to visit their houses, to advise them on what to do with their mortgages, and to develop personal financial plans because they were afraid of losing them.

However, things have changed dramatically in five years. Obviously 90-day commercial deposit rates are down at 10-year lows. Credit card interest rates have started to fall. If the Minister of Finance had not created an environment in which the cost of money was falling, credit card interest rates would not be falling as well. Certainly in the last two weeks to three weeks we have seen every major bank fall in line and reduce credit card interest rates by almost 3 per cent. It is an enormous drop and is credit to what is happening in the economy.

We could look at all kinds of economic indices, but let us look at the dollar. It started declining shortly after 1976 when it was well above par. It declined in a ratchet manner to a low of 71.5 cents just before the last election. There is no doubt that we have had a considerable problem turning around the dollar, but it is now sitting on the verge of 77 cents. This means an enormous increase in the purchasing power of Canadians when they buy food from the United States or take U.S. vacations. It certainly represents a very important step for people such as my mother who, because of her health condition, finds it very difficult to live through our cold winters. These are important economic developments for Canadians.

The growth in Canadian output in 1986 at 3.3 per cent topped that of all major countries. If we measure the growth in real output since September, 1984, we see that Canada is second only to Japan. Most of us would agree that Japan is the economic miracle of the world and has been through the 1980s. However, how many of us stop to think that since the election we are running neck and neck with Japan, and last year we actually passed Japan and were first among all countries in the world?

The employment growth we have seen has led to a steady fall in unemployment as the last 2.5 years have gone by. Unemployment rates are now down by almost 2 per cent. The